



BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL

# PRESS RELEASE

## **Attorney General Frosh Announces Settlement with Vending Machine Contractor**

***\$370,660 Owed to Program to Promote Blind Entrepreneurship***

**BALTIMORE, MD (September 27, 2021)** – Maryland Attorney General Brian E. Frosh announced today that his office has settled claims against Black Tie Services, LLP, a Baltimore County-based vending machine company that provided services to the Maryland Randolph-Sheppard Program. The Randolph-Sheppard Program provides employment opportunities for blind persons to run cafeterias and snack shops on government properties. The program also operates vending machines on government properties, the proceeds from which belong to program participants or are used to provide benefits and other services to participants.

Black Tie Services, LLP had numerous contracts to operate vending machines on behalf of the Program. Those contracts required Black Tie to pay a percentage of sales revenue to the Program. The Office of the Attorney General alleged that Black Tie submitted misleading reports to the Program, understating the amount of goods sold and revenue earned, and failed to pay the Program all the amounts owed. Black Tie paid \$370,660 to resolve these claims, all of which will be paid to the Randolph-Sheppard Program.

“We alleged that Black Tie siphoned hundreds of thousands of dollars from programs that Randolph-Sheppard runs for the benefit of blind members of our community,” said Attorney General Frosh. “I am pleased we were able to recover these funds and return them to the Program.”

This settlement was reached under the False Claims Act of 2015. The False Claims Act imposes penalties on any person who submits false or fraudulent claims for payment to a government entity or in connection with a government-funded project or falsely or fraudulently fails to pay money owed to the government. It is one of the main anti-fraud tools available to government entities to address fraud in government contracts or grants.

In making today’s announcement, Attorney General Frosh thanked Assistant Attorneys General Shelly Marie Martin and Elliott Schoen for their work on this matter.

<https://www.marylandattorneygeneral.gov/press/2021/092821.pdf>